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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Investigation pursuant to Senate Bill 380 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region.

Investigation 17-02-002  
(Filed February 9, 2017)

**ADMINISTRATIVE LAW JUDGE'S RULING SETTING  
PHASE 1 PREHEARING CONFERENCE AND  
PUBLIC PARTICIPATION HEARING**

A prehearing conference will be held on Monday, April 17, 2017, in Los Angeles at 10:00 a.m. at the Commission Courtroom, 320 West 4<sup>th</sup> Street, Suite 500, Los Angeles, California 90013. A public participation hearing will also be held on April 17, 2017 at 6:00 p.m. at the Northridge Woman's Club, 18401 Lassen Street, Northridge, California 91325.

**Background**

On February 9, 2017, the Commission opened Investigation (I.) 17-02-002 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon Natural Gas Storage Facility (Aliso Canyon) while still maintaining energy and electric reliability for the Los Angeles region and just and reasonable rates in California. Southern California Gas Company, the operator of Aliso Canyon, was named as a respondent to I.17-02-002.

In the Order Instituting Investigation, the Commission proposed a preliminary scope and schedule, including a two-phased approach to the proceeding. In Phase 1, the Commission anticipated undertaking a thorough analysis of whether it is feasible to reduce or eliminate the use of Aliso Canyon while still maintaining electric and gas reliability for the region. The Commission anticipated Phase 1 would also include an assessment of the impact of reducing or eliminating the use of the Aliso Canyon facility on gas and electric rates.

As envisioned, the Phase 1 analysis would be overseen by the Commission's Energy Division, assisted by appropriately contracted experts, if necessary. The Commission anticipated that parties would be involved in all aspects of the analysis, including participating in the development of the scope of the analysis. Upon completion of the analysis, I.17-02-002 contemplated that results would be incorporated into the record via written ruling.

In Phase 2, the Commission anticipated it would take into consideration the results of the Phase 1 analysis, along with all other relevant information, including the results of the Senate Bill 826 study, to determine whether the Commission should reduce or eliminate the use of the Aliso Canyon facility, and if so, under what conditions and parameters and in what time frame. In making this determination, the Commission will also consider the consistency of any outcome with the State's climate change goals.

In I.17-02-002 the Commission anticipated that hearings would be necessary to resolve the proceeding, but the Commission envisioned that the Phase 1 analysis could be conducted through a workshop and comment process. The Phase 2 scope did not include procedural mechanisms or a proposed schedule.

Numerous parties filed responses to I.17-02-002 raising a variety of issues including, but not limited to, whether Phase 1 should be resolved with testimony and hearings, rather than through a workshop process, whether the proceeding should be concluded without a phased approach, additional issues the Commission should consider within the scope, including expanding reliability concerns beyond the Los Angeles region to all of Southern California, interaction with other Commission proceedings and schedule recommendations.

### **Prehearing Conference**

A prehearing conference (PHC) is set for April 17, 2017 at 10:00 a.m at the Commission Courtroom, 320 West 4<sup>th</sup> Street, Suite 500, Los Angeles, California 90013. The purpose of the PHC is to discuss the issues, scope and scheduling of the formal proceeding, the relationship of this proceeding to other Commission proceedings and to address any outstanding motions. Parties may enter appearances at the PHC. All entities that filed and served responses to the I.17-02-002 are considered parties to this proceeding. Written PHC statements are not required.

Please note that the PHC is an organizational hearing for parties who intend to actively participate in the formal proceeding, and participation in the formal proceeding requires compliance with the Commission's Rules of Practice and Procedure. There will not be an opportunity for public comment at the PHC.

### **Public Participation Hearing**

A Public Participation Hearing is set for April 17, 2016 at 6:00 p.m. at the Northridge Woman's Club, 18401 Lassen Street, Northridge, California 91325. This Public Participation Hearing (PPH) is an opportunity for local residents and organizations to provide their perspective and input to the Commission

regarding the proposed scope and schedule. The Commission will have staff on hand to present in more detail the Commission's proposed analysis process. A court reporter will record the statements of the public. Commissioner Liane Randolph and Assigned Administrative Law Judge Melissa Semcer will attend the PPH. The Commission expects to hold additional public participation hearings later in the course of this proceeding.

**IT IS RULED** that:

1. A prehearing conference is set for April 17, 2017 at 10:00 a.m. at the Commission Courtroom, 320 West 4<sup>th</sup> Street, Suite 500, Los Angeles, California 90013.

2. A Public Participation Hearing is set for April 17, 2016 at 6:00 p.m. at the Northridge Woman's Club, 18401 Lassen Street, Northridge, California 91325.

Dated March 21, 2017, at San Francisco, California.

/s/ MELISSA K. SEMCER

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Melissa K. Semcer  
Administrative Law Judge